

Message Text

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ACTION IO-14

INFO OCT-01 EA-07 ISO-00 CIAE-00 DODE-00 PM-05 H-01
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SS-15 USIA-06 AF-10 ARA-10 EUR-12 NEA-10 DHA-02
AID-05 COME-00 EB-08 FRB-03 TRSE-00 XMB-02
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P R 280237Z JUL 77
FM AMEMBASSY KUALA LUMPUR
TO SECSTATE WASHDC PRIORITY 8243
INFO AMEMBASSY BANGKOK
AMEMBASSY JAKARTA
AMEMBASSY MANILA
AMEMBASSY SINGAPORE
USMISSION GENEVA
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C O N F I D E N T I A L SECTION 1 OF 2 KUALA LUMPUR 4907

E.O.11652: GDS
TAGS: PORG, UNCTAD, MY
SUBJECT: MULTILATERAL AFFAIRS: DEPARTMENT'S ORGANIZATION,
ACTIVITIES AND OBJECTIVES; REQUEST FOR MULTILATERAL INFORMATION
ON HOST GOVERNMENTS: MALAYSIA

REF: (A) STATE 159747; (B) STATE 148782; (C) 76 STATE 37591;
(D) 76 KUALA LUMPUR 1218

1. SUMMARY. THIS MESSAGE RESPONDS TO REFS A AND B SOLICITING
OUR COMMENTS ON THE DEPARTMENT'S ORGANIZATION, ACTIVITIES
AND OBJECTIVES IN THE CONDUCT OF OUR MULTILATERAL DIPLOMACY,
WITH PARTICULAR REFERENCE TO MALAYSIA. REF D AND A RECENT
INS REPORT, "MALAYSIA IN THE GROUP OF 77," ARE BASIC REFERENCE
DOCUMENTS ON THE GOM'S BASIC FOREIGN POLICY ORIENTATIONS
AND OBJECTIVES. IN MULTILATERAL SETTINGS, WE CAN EXPECT THE
MALAYSIANS TO CONTINUE TO FOLLOW A FUNDAMENTALLY PROGMATIC,
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NONCONFRONTATIONAL APPROACH IN PURSUING THEIR INTERESTS,
WHICH SHOULD SERVE TO BROADEN THE SCOPE FOR MUTUALLY BENEFICIAL
COOPERATION WITH THEIR DELEGATIONS. WE MUST, HOWEVER, BE
AWARE THAT OUR INTERESTS WILL SOMETIMES DIVERGE AND OCCASIONALLY
CONFLICT; E.G., ON ARAB-ISRAELI ISSUES WHERE MALAYSIA, AN
OFFICIALLY MUSLIM COUNTRY, WILL FOLLOW THE LEAD OF MODERATE
ARAB COUNTRIES. WE, THEREFORE, SHOULD BE MINDFUL OF OUR

LIMITED LEVERAGE WITH THE GOM ON SUCH ISSUES OF PRINCIPLE WHERE THEY CANNOT COMPROMISE. IN THESE CASES WE SHOULD CONCENTRATE ON ENSURING BY FULL DISCUSSION WITH THEM A THOROUGH RECIPROCAL UNDERSTANDING OF RESPECTIVE POSITIONS. WE SHOULD ALSO FOCUS OUR MAJOR ATTENTION ON THE GOM ON AREAS WHERE OUR INTERESTS CAN BE SHOWN TO CONVERGE. WE WELCOME THE DEPARTMENT'S ASSURANCES OF ADEQUATE LEAD TIME IN PROVIDING GUIDANCE AND BACKGROUND ON MULTILATERAL ISSUES, SINCE THIS WILL ENABLE US TO BETTER DOCUMENT OUR CASES. DETAILED FEEDBACK ON MALAYSIAN DELEGATION'S BEHAVIOR IS ALSO IMPORTANT, AND WE HOPE TO RECEIVE MORE INFORMATION ALONG THESE LINES. END SUMMARY.

2. REFS A AND B SEEK EMBASSY COMMENTS ON OBJECTIVES OF OUR MULTILATERAL AFFAIRS EFFORTS, STEPS WHICH WE MIGHT TAKE TO ACHIEVE THEM, AND THE PARTICULAR CIRCUMSTANCES TO BE TAKEN INTO ACCOUNT WITH RESPECT TO THE HOST GOVERNMENT (GOM). WE STRONGLY ENDORSE EFFORTS TO SYSTEMATIZE OUR APPROACH TO MULTILATERAL AFFAIRS TO RELATE OUR INTERACTIONS IN MULTILATERAL FORA TO OUR BILATERAL RELATIONS WITH A PARTICULAR COUNTRY. WE ALSO AGREE THAT IN THE PROCESS OF IMPROVING COLLATION OF DATA ON VOTING BEHAVIOR, ETC., WE NOT REPEAT NOT OVERLOOK SPECIFIC DETERMINANTS OF THE HOST GOVERNMENT'S MULTILATERAL BEHAVIOR. IN THIS REGARD, OUR COMMENTS SUBMITTED LAST YEAR VIA REF D ON MALAYSIA'S POLICY ORIENTATIONS AND OBJECTIVES REMAIN GENERALLY VALID. INR REPORT NO. 720 OF FEB. 8, 1977, "MALAYSIA IN THE GROUP OF 77," SHOULD ALSO BE READ AS A BASIC CONFIDENTIAL

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REFERENCE DOCUMENT. HOWEVER, SEVERAL POINTS RELATING BOTH TO PROSPECTS FOR FRUITFUL COOPERATION IN MULTILATERAL FORA AND CONSTRAINTS ON MALAYSIAN WILLINGNESS OR ABILITY TO SUPPORT OUR POSITIONS BEAR REITERATION.

3. PRAGMATISM. IN THE INTERNATIONAL CONTEXT MALAYSIA STANDS OUT AS A NATION WHICH BY A COMBINATION OF LUCK AND GOOD MANAGEMENT HAS ACHIEVED AN ENVIABLE ECONOMIC DEVELOPMENT TRACK RECORD, DEMONSTRATING THE EFFICACY OF EVOLUTIONARY POLITICS AND THE BENEFITS OF AN OPEN ECONOMY THAT ENCOURAGES FOREIGN INVESTMENT. RATHER THAN STRIDENT POLEMICS AND RADICAL STANCES, THE GOM HAS ACTED IN ITS OWN SELF-INTEREST AND ADOPTED FOR MODERATE, NON-CONFRONTATIONAL APPROACHES IN ITS INTERNATIONAL DEALINGS. SINCE PRIME MINISTER DATUK HUSSEIN ONN ASSUMED OFFICE ON THE DEATH OF HIS PREDECESSOR IN JANUARY, 1976, THE GOM'S FOREIGN POLICY HAS BECOME EVEN LESS IDEOLOGICAL IN TONE, AND CONCERNED MORE WITH ADOCAHY OF "BREAD AND BUTTER" ECONOMIC ISSUES BEARING DIRECTLY ON ITS INTERESTS THAN WITH PURSUIT OF LOFTY BUT OFTEN UNATTAINABLE "PRINCIPLES" OF NHSGRTION-ABLE RELEVANCE TO MALAYSIA. THE GOM'S SELF-PERCEPTION IS THAT OF A SPOKESMAN FOR MODERATE OPINION ON INTERNATIONAL ECONOMIC ISSUES IN SUCH ASSEMBLAGES AS THE "GROUP OF 77." THIS WILLINGNESS

TO COMPROMISE IN ORDER TO ACHIEVE PRACTICAL RESULTS, PLUS OUR SHARED PERCEPTIONS AS PARTICIPATORY DEMOCRACIES WITH 'FREE ENTERPRISE' ECONOMIES ENSURE THERE WILL BE NUMEROUS OCCASIONS FOR US TO "DO BUSINESS" WITH THE MALAYSIANS IN MULTILATERAL SETTINGS. EVEN WHERE WE DISAGREE, THE MALAYSIAN'S PREFERRED NON-CONFRONTATIONAL STYLE SUGGESTS WE CAN DO SO WITH A MINIMUM OF ACRIMONY.

4. INHIBITING FACTORS. DESPITE THESE POSITIVE ELEMENTS, THERE ARE AREAS WHERE OUR INTERESTS DIVERGE AND WHERE WE WILL FIND OURSELVES IN ADVERSARY RELATIONSHIPS WITH THE MALAYSIANS. THE FOLLOWING ARE SOME "IMMUTABLE" IN THE GOM'S FOREIGN POLICY WHICH IN EITHER/OR SITUATIONS WILL IMPELL THE MALAYSIANS TO TAKE POSITIONS DIFFERENT FROM OUR OWN. FIRST, DESPITE ITS CONFIDENTIAL

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RELATIVE MODERATION, MALSYAI CONSIDERS ITSELF VERY MUCH A PART OF THE "THIRD WORLD" AND THE LDC'S QUEST FOR A "BETTER DEAL" FROM THE INDUSTRIALIZED NATIONS AS MANIFESTED IN THE "GROUP OF 77," UNCTAD DELIBERATIONS, THE "NORTH-SOUTH DIALOG," ETC. IT HAS ALSO BEEN ACTIVE IN THE NON-ALIGNED MOVEMENT, WHERE ON OCCASION IT HAS ACQUIESCED IN RADICAL POSITIONS ADOPTED BY "CONSENSUS." SECOND, BOTH FOR DOMESTIC POLICIAL REASONS (MALAYSIA IS OFFICIALLY MUSLIM) AND IN HOPES OF WOONG ARAB PETRODOLLARS THEIR WAY, THE MALSYAIANS HAVE BEEN INCREAS- INLY ATTENTIVE TO THE ISLAMIC MOVEMENT, FOLLOWING THE LEAD OF MODERATE ARAB COUNTRIES ON ARAB-ISRAELI ISSUES. IT IS A TRUISM TO SAY THAT "AS SAUDI ARABIA VOTES ON SUCH ISSUES, SO DOES MALAYSIA." THUS, ALTHOUGH MALAYSIA WILL NOT TAKE THE LEAD ON PARTICULARLY CONTROVERSIAL ARAB-ISRAELI ISSUES, IT SELDOM IF EVER BREAKS RANKS WITH THE ARAB/ISLAMIC BLOC.

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C O N F I D E N T I A L SECTION 2 OF 2 KUALA LUMPUR 4907

FINALLY, OUR ROLE AS A MILITARY SUPERPOWER INJECTS AN ELEMENT OF AMBIVALENCE INTO OUR RELATIONS SINCE, FOR EXAMPLY, OUR BASES IN THE PHILIPPINES AND NAVAL MOVEMENTS IN THE AREA CONFLICT AT LEAST IN APPEARANCE, WITH MALAYSIA'S ADVOCACY OF A SOUTHEAST ASIAN "ZONE OF PEACE, BOTH DESIGNED TO INSULATE THE REGION FROM GREAT POWER RIVALRIES. FINALLY, IT IS IMPORTANT TO REMEMBER THAT OUR DIRECT LEVERAGE WITH THE GOM IS LIMITED BY THE FACT THAT WE DO NOT HAVE MAJOR MILITARY OR ECONOMIC ASSISTANCE TIES.

5. OPPORTUNITES AND METHODS. ALTHOUGH THE FOREGOING CONSTRAINTS ON OUR CAPACITY TO INFLUENCE THE GOM WHERE OUR INTERESTS AS AN ECONOMIC AND MILITARY SUPERPOWER WITH GLOBAL COMMITMENTS DIVERGE FROM THEIRS AS A THIRD WORLD, NON-ALIGNED, OFFICIALLY MUSLIM COUNTRY, IN PRACTICE MALAYSIAN PRAGMATISM HAS TENDED TO LIMIT AREAS OF REAL DIFFERENCE BETWEEN US. FOR EXAMPLE, IN LOS NEGOTIATIONS WE HAVE FOUND THE GOM REPRESENTATIVES
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COOPERATIVE AND SUPPORTIVE OF SOME OF OUR KEY POSITIONS DESPITE DIFFERING PERSPECTIVES ON SOME ISSUES. ALSO, DESPITE THE MALYSYIAN'S PET ZPFN PROPOSAL THEY HAVE SIGNED US THAT CURRENT REALITIES REQUIRE AN ACTIVE U.S. ECONOMIC AND DIPLOMATIC PRESENCE AND AN UNDEFINED CONTINUATION OF OUR MILITARY AND NAVAL CAPABILITY IN BOTH THE PACIFIC AND INDIAN OCEANS. THE GOM RECENTLY HAS ALSO SHOWN A GREATER INCLINATION TO TREAT ISSUES ON THEIR MERITS AS THEY RELATE TO MALAYSIA'S INTERESTS, RATHER THAN GETTING SWEEPED UP IN BLOC VOTING OR "CONSENSUS" RESOLUTIONS (E.G., AT LAST YEAR'S COLOMBO NON-ALIGNED SUMMIT THEY ENTERED RESERVATIONS TO ADOPTED LANGAUGE DEALING WITH BOTH KOREA AND PUERTO RICO). THIS SUGGESTS THAT IN APPROACHING THE GOM ON ISSUES OF INTEREST TO US IN MULTILATERAL FORA WE SHOULD AVOID PEGGING OUR ARGUMENTATION TO AREAS OF PRINCIPLE WHERE THE MALSYAINS ARE NOT PRONE TO COMPROMISE, ESPECIALLY ARAB-ISRAELI ISSUES. THIS DOES NOT MEAN THAT WE SHOULD FOREGO OPPORTUNITES TO EDUCATE THE GOM ON OUR REASONING RE HIGHLY CONTENTIOUS ISSUES, BUT RATHER THAT WE SHOULD MUSTER OUR

DIPLOMATIC RESOURCES TO ACCENTUATE THE POSITIVE; I.E., AREAS WHERE OUR COMMON INTERESTS CAN BE SHOWN TO CONVERGE. ILLUSTRATIVELY, TO THE EXTENT WE CAN BE FORTHCOMING AND SYMPATHETIC TO THEIR COMMODITY PRICE STABILIZATION SCHEMES, AS WE HAVE BEEN ON TIN AND THE GOM HOPES WE WILL BE ON THE RUBBER BUFFER STOCK AGREEMENT WHICH IS OF CRITICAL IMPORTANCE IN THEIR DOMESTIC POLITICAL CONTEXT, WE MAY FIND THEM MORE INCLINED TO BE SUPPORTIVE OF OUR POSITIONS ON OTHER ISSUES (AND WE SHOULD NOT HESITATE TO REMIND THEM OF INSTANCES WHEN WE HAVE BEEN HELPFUL TO THEM). IN THIS VEIN, THE PRESENT NEGOTIATIONS IN UNCTAD RE A NATURAL RUBBER PRICE STABILIZATION SCHEME WOULD SEEM TO PROVIDE AN EXCELLENT OPPORTUNITY FOR THE USG TO DEMONSTRATE CONCERN FOR MALAYSIA'S INTERESTS WHILE ALSO FURTHERING U.S. INTERESTS. SINCE THE PRINCIPAL PRODUCERS OF NATURAL RUBBER -- MALAYSIA, INDONESIA AND THAILAND-- ARE ALL "MODERATE" CONFIDENTIAL

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MEMBERS OF THE GROUP OF 77, A SUCCESSFUL OUTCOME OF THESE NEGOTIATIONS LEADING TO A WORKABLE RUBBER AGREEMENT WITH THESE COUNTRIES WOULD APPEAR TO BE VERY MUCH IN THE U.S.'S INTEREST BY SETTING A PATTERN FOR LATER COMMODITY NEGOTIATIONS IN UNCTAD INVOLVING SOME OF THE MORE RADICAL MEMBERS OF THE GROUP OF 77. WE SHOULD, HOWEVER, CONTINUE TO PRESS THE MALAYSIANS HARD ON ISSUES OF DIRECT CONCERN TO THE U.S. BUT OF LESS OR EVEN PERIPHERAL INTEREST TO THE GOM, LETTING THEM KNOW THAT WE TAKE A DIM VIEW OF THEIR ACQUIESCING IN BLOC VOTING IN FAVOR OF RADICAL-SPONSORED RESOLUTIONS ON SUCH ISSUES. IN THE PAST WE HAVE HAD SOME SUCCESS IN MOVING THE MALAYSIANS TOWARD OUR POSITION ON CERTAIN CRITICAL ISSUES BY EXPLAINING THEIR IMPORTANCE IN OUR DOMESTIC POLITICAL CONTEXT; E.G., RESOLUTIONS ON PUERTO RICO AND GUAM.

6. TO FACILITATE OUR APPROACHES TO THE GOM ON MULTILATERAL MATTERS, IT IS ESSENTIAL THAT THE DEPARTMENT PROVIDE US WITH TIMELY GUIDANCE, INCLUDING RELATIVE PRIORITIES AMONG ISSUES, AS WELL AS SUPPORTING BACKGROUND AND ARGUMENTATION. WE, THEREFORE, WELCOME THE ASSURANCES OF ADEQUATE LEAD TIME FOR SUCH GUIDANCE, AS NOTED PARA FIVE REF B. SINCE THE MFA IS CHRONICALLY SHORT-STAFFED, WE FIND IT VERY USEFUL TO LEAVE AIDE MEMOIRES AND OTHER DOCUMENTS TO SUPPORT OUR DEMARCHES, AND LEAD TIME ALLOWS US TO PREPARE SUCH MATERIALS. IT ALSO IS IMPORTANT THAT WE RECEIVE RAPID FEEDBACK ON MALAYSIAN BEHAVIOR IN VARIOUS MULTILATERAL GATHERINGS, INCLUDING INDIVIDUALS PARTICULARLY HELPFUL OR UNHELPFUL TO US, SINCE THIS WILL AFFECT HOW WE TAILOR OUR APPROACHES HERE. WE HAVE BEEN TROUBLED IN THE PAST BY INSUFFICIENT FEEDBACK AND HOPE THAT THIS DEFICIENCY CAN BE OVERCOME.

7. ACTING DCM FRANK C. BENNETT, JR. REMAINS EMBASSY MULTILATERAL AFFAIRS OFFICE (MLO) FOR THE TIME BEING.

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